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Great Economic Results Attained by Korean People in 1958

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GREAT ECONOMIC RESULTS ATTAINED BY KOREAN PEOPLE IN 1958

The entire Korean people summed up with great satisfaction the brilliant achievements attained in 1958 in all branches of the national economy amid unparalleled high revolutionary upsurge of socialist construction.

1958 witnessed great changes in all branches of our national economy.

Socialist relations of production registered a decisive victory and the socialist economic system has become exclusively predominant. The year of 1958 was the most difficult and decisive year in determining whether or not we could fulfil the First Five-Year Plan ahead of schedule. In carrying out the plan for the development of the national economy for 1958, the Workers' Party of Korea paid serious attention to consolidating and developing the great achievements gained during the past years, strengthening continuously the heavy and light industrial bases and reinforcing the material and technical foundation of the rural economy.

The Workers' Party of Korea and the Government of the Republic worked out a number of measures to strengthen the fuel and power bases, develop further rapidly the metal and machine-building industries and to develop fibre, food and daily necessaries industries. Also a number of important measures were taken to increase the production of

chemical fertilizers, expand irrigation projects and, particularly, to strengthen the material and technical foundation of the rural economy by setting up an irrigation system on non-paddy fields and carrying out mechanization and electrification.

To this end, the Party directed the whole Party's attention to improving the technical equipment in all branches of the national economy, making the effective investment in construction, further enhancing labour efficiency by placing construction on an industrial footing. Also attention was called to strict economy, utilization of every potential for increased production, and to the increase in the accumulation of the national economy. Moreover, the Party and the Government of the Republic, inspiring and encouraging the entire working people to increase production to the maximum and practise strict economy, appealed to them to bring about continued innovation and advance in socialist construction by shattering the mystery about technique and liquidating passivism and negativism in work. Particularly, the on-the-spot guidance given to the masses by Comrade Kim Il Sung and other Party and government leaders served as a great impetus in giving full scope to their inexhaustible creativeness and self-sacrificing spirit.

The entire working people of our country, boundlessly encouraged by the correct policy and wise guidance of the Party and the Government, attained brilliant achievements by displaying unparalleled heroism, while consolidating the gains attained in the course of carrying out the decisions of the December 1956 Plenum of the C.C. of the Workers' Party of Korea and generalizing their priceless experiences.

Thus our country has turned into a socialist industrial-agricultural state with a self-spporting national economy. With regard to the brilliant successes achieved last year, Premier Kim Il Sung said in his New Year's address:

"Last year was a year of great upsurge and change in

our socialist construction. 1958 will be recorded forever in the history of our country as a year of great victory."

* * *

The year of 1958 was marked by further advance of the socialist industrialization in our country. The scale of expanded reproduction in industry was enlarged and its pace of development continuously increased.

The entire workers in the field of industry overfulfilled each quarterly target on all items in a balanced way, while continuously enlarging the variety of goods. The 1958 plan for gross output of state and co-operative industries was overfulfilled by 17 per cent while the plan for increased production based on the resolutions of the workers themselves was topped by 4 per cent, and thereby 21,700 million won (in old currency) worth of extra industrial products were produced over the original state plan.

Thus the gross output value of state and co-operative industries in 1958 increased by 40 per cent as against 1957, or double that in 1956 and 4 times that in the pre-war 1949. Indeed, the average annual growth during the past 5 years from 1954 to 1958 was 42.3 per cent. Such a rapid growth of production is something unimaginable in the capitalist countries.

Our industry, which registered such a rapid pace in developing production, is firmly based on the Marxist-Leninist principle on socialist expanded reproduction for the balanced development of the production of the means of production and consumer goods.

During the post-war period of 1953-58, the average annual growth of the means of production was 52 per cent and that of consumer goods 34 per cent.

In 1958, along with the heavy industrial base of machine-building, metal, power and chemical industries, the light industrial base of textile, food and daily necessities industries, too, was further consolidated.

Particular mention should be made of the great changes that have taken place in food and daily necessities industries according to the decisions of the June 1958 Plenum

of the Party Central Committee. Upholding the decisions, medium- and small-scale local industrial enterprises sprang up in all parts of the country like mushrooms after a rain. More than 1,060 enterprises were built by the end of 1958, and they are now producing thousands of varieties of foodstuffs and daily necessities, besides pig iron, cement, slaked lime, tiles and bricks by mobilizing idle equipment, technique, labour as well as resources of local materials.

Such rapid increase in the output of industrial products is shown below.

	Output in 1953	1958 in percentages of 1957	1958 in percentages of 1949
Electricity	7,631 mil. kwh	110	129
Coal	6,882,000 tons	138	172
Iron ore	1,552,000 tons	147	2.3 times
Pig iron	320,000 tons	119	193
Steel	365,000 tons	132	2.5 times
Structural steel	255,000 tons	125	2.2 times
Electric motors	17,000	140	26 times
Metal cutting tools	1,450	142	—
Farming machines and implements	713 mil. won (old currency)	171	—
Chemical fertilizer	457,000 tons	141	114
Caustic soda	14,000 tons	155	155
Carbide	150,000 tons	105	110
Cement	1,244,000 tons	139	2.3 times
Plate glass	3,268,000 square metres	127	—
Timber	3,153,000 cubic metres	113	196
Glass ware	635 mil. won (old currency)	2.4 times	—
Ceramics	828 mil. won (old currency)	152	—
Furniture	1,261 mil. won (old currency)	120	—
Textiles	110 mil. m.	121	8.6 times
Hosiery	16 mil. pairs	151	2.5 times
Fish	682,000 tons	121	2.3 times

In 1958, the production of alloy, electrolytic silver and lead, ammonium sulphate fertilizer, carbide, fire-bricks, plate glass, timber and fish catch surpassed the level envisaged in 1961, the last year of the First Five-Year Plan. Besides, many new products were produced for the first time in our country, such as tractor, excavator, lorry, bulldozer, electric locomotive for coal mine, 50-ton refrigerator ship, hydropower generator of 4,000 kw., universal milling machine, radial press drill, automatic loom, Diesel engine, machine for making drum-shaped straw bag, wide-row seeder for wheat, automatic-threshing machine, Korean typewriter, electric washer, etc. All these items are now produced on a mass scale.

The production level of major products in 1958 surpassed that in 1944 under the Japanese rule by 20 per cent in coal, 2.5 times in steel, 2.4 times in structural steel, 39 per cent in cement, 42 per cent in timber, and 80 times in textiles, thereby completely eliminating the backward, colonial onesidedness inherited from Japanese imperialism.

Proportion in Gross Industrial Output Value

	1944	1949	1953	Increase in 1958 over 1949
Fuel industry	3.8	4.1	1.4	1.4-fold
Mining industry	15.7	8.1	4.6	2.2-fold
Metallurgical industry	13.3	11	7.2	2.6-fold
Machine-building and metal working industries	1.6	8.1	16.6	7.7-fold
Chemical industry	10.1	9.5	5.5	2.5-fold

Timber and wood-working industry	20	6.4	4.3	2.7-fold
Textile industry	6	11.4	16.1	5.6-fold
Stationery and sundry goods industry	0.9	1.6	6.2	15-fold

The Japanese imperialists employed every means to plunder our rich natural resources and cut down forests at random. And raw products were shipped to Japan. They concentrated their efforts on chemical industry, mainly for producing munitions needed in their aggressive plan to invade the Asian mainland.

During the Japanese rule, fuel, mining, metallurgical, chemical, timber and wood-working industries accounted for 63 per cent of the gross industrial output value. Consequently, exploitation and plunder was most severe in these fields.

Machine-building and metal-working industries were of small-scale repair shop type, and textile, stationery and sundry goods industries were no more than small-scale handicraft factories. As shown above, our country under the Japanese rule was a typical colonial dependent state, a source of raw materials and a market for the imperialist plunderers.

However, the picture today is quite different. Today fuel and power bases have been consolidated further and our industry produces various heavy machinery and numerous items of daily necessaries such as medicines, cement, blocks, cotton fabrics and footwear.

Today, our country has developed into a self-supporting industrial-agricultural state. Our country now possesses a powerful heavy industrial base capable of rapidly speeding up the tempo of expanded reproduction of socialist industry and rendering assistance to irrigation, mechanization and electrification of the rural economy. Moreover, our light industry is able to supply the population with various daily necessities.

In 1958, our industrial enterprises and scientific research organs shattered the mystery about technique and, on their initiative, made 37,000 odd inventions and rationalization proposals, of which more than 4,900 have been introduced into production.

They economized on coke and reduced the co-efficient of blast furnace by using ferro-coke in smelting, and their methods of hydraulic mining and continuous hole drilling for blasting raised the mining capacity. They succeeded in introducing anthracite gasification in the production of plate glass and in utilizing anthracite in refining copper. In the field of machine-building industry, high-speed drying method of casting by carbonic acid gas and other advanced casting methods were introduced. And at the same time high-speed cutting method by ceramic bite was popularized. In light industry, artificial fibre was produced from reeds and maize stalks which grow in profusion in our country.

The rapid development of production technique resulted in a high technical and economic upsurge, while the utilization rate of equipment rose. The rate of high-speed drilling was raised by 9 per cent as against the previous year. In iron and steel works the output of steel per square metre of 100-ton open-hearth furnace increased by 14 per cent, and the output of a heat steel of 20-ton electric furnace increased by 29 per cent. In chemical factories, the volume of ore treatment per square metre of iron sulphide calciner increased by 6 per cent, average output per electrolyser for caustic soda by 24 per cent, average output per electric carbide kiln by 9 per cent and average output per nitro-lime-kiln by 20 per cent. The rate of revolution of oven in pulp mills increased by 57 per cent as against the previous year and the per hour output of paper making machine by 16 per cent.

The industrial workers also achieved a great success in economizing on various raw materials, fuel and other materials.

Compared with 1957, actual extract from zinc ore increased by 3.5 per cent and from tungsten ore by 6 per

cent; refined purity of various ores raised by 1.2-3.2 per cent, actual felling in forest stations by 1.8 per cent; actual spinning of thread from cotton in textile mills by 2.2 per cent. Thanks to the enhanced movement for reducing the consumption norm of electricity and coal in all branches of the national economy, 557 million kwh of electricity, 182,000 tons of coal and 4,000 tons of steel were economized by Ministries and bureaus concerned with major industrial production.

In 1958, historical changes took place in our rural economy, too. The agricultural co-operativization was completed successfully by the end of August 1958.

The Workers' Party of Korea started the socialist transformation of the rural economy under the most difficult conditions right after the armistice. For our rural economy as well as industry had suffered severely during the war provoked by the American imperialists and the Syngman Rhee clique. In rehabilitating and reconstructing the national economy in the postwar days, our Party pursued consistantly the general line of economic policy of giving priority to heavy industry while developing simultaneously light industry and agriculture. Under the conditions created in the postwar days, the only way to bring about a balanced development of industry and agriculture and improve rapidly the deteriorated peasants' life was to transform our rural economy along socialist lines. Therefore, our Party, taking into account the situation and the peasants' wish, proposed on the initiative of Comrade Kim Il Sung the historic task of agricultural co-operativization. And the Party spared no effort in guiding and helping the co-ops.

Thus the agricultural co-operative movement which had been started after the war rapidly developed with the result that it came to embrace 31.8 per cent of the entire peasant households by the end of 1954. The figure had increased to 49 per cent at the end of 1955, 80.9 per cent at the end of 1956, 95.6 per cent at the end of 1957 and 100 per cent at the end of August 1958. The fact that such difficult and complicated revolutionary task of agricultural co-operativization was completed in a little more than 4-5 years bespeaks the brilliant victory of our Party's agricultural policy.

Superiority of the co-operative economy brought about a great upsurge in our rural economy last year. Now a nation-wide movement is being unfolded in response to the decisions of the September 1958 Plenum of the Party Central Committee to undertake a great nature-remaking. Within the next 2-3 years the acreage under irrigation will be expanded by one million jungbo. Also in 1958 more than 10,000 irrigation projects including the large-scale state-sponsored projects in the districts of Kiyang and Uhjidon and one on the Yalu were carried on.

The members of co-operatives are building irrigation systems and the workers are extending them active support. Some 410,000. cubic metres of rocks were drilled or removed and 55 million cubic metres of earth were excavated. From September to December 1958, 124,000 jungbo of paddy and non-paddy fields were put under irrigation, thus a total area of paddy and non-paddy fields put under irrigation during the year amounting to 190,000 jungbo.

The year of 1958 saw wide popularization of advanced farming methods in our agriculture. Cold-bed rice seedlings were transplanted on 50 per cent of the entire paddy fields, and the humus-pot method was used on 70 per cent of the whole land under cotton while the utilization rate of land rose to 161 per cent.

Compared with the previous year, in 1958 the amount of chemical fertilizer and compost applied to the farm land increased 29 per cent and 71 per cent respectively, and the acreage cultivated by machine-hire stations increased by 16 per cent and mechanization of work was further accelerated.

In 1958, our workers rendered tremendous assistance to our agriculture in its technical innovation. 360 km. of power cables were laid, over 4,000 motors, transformers and pumps were sent to the countryside, and 100,000 tons of cement, over 104,000 cubic metres of timber, over 90,000

of ox-carts, trolleys and wheel barrows, 850,000 square metres of plate glass, over 5,300 tons of paper, 1,600 tons of oil, over 14,000 of animal-drawn weeders, 7,300 thrashing machines for rice and maize, 7,400 animal-drawn water-lifting machines, over 12,500 sprayers and dusters, 10,600 straw bag and rope making machines were made available to the peasants. Moreover, other materials and equipment needed in irrigation and farming were sent to them in quantities.

As a result we gathered last year an unprecedented bumper harvest of 3,700,000 tons of grain despite the severe drought. This meant that the 1958 agricultural plan was surpassed by 12 per cent, an increase of 500,000 tons over the previous year, and 1,030,000 tons more than in the prewar peak year 1948. Output of cotton grew by 8 times and hemp by 58 per cent compared with 1957.

Our animal husbandry, too, registered great development in 1958.

For the further development of animal husbandry, the Party and the Government distributed to the co-operatives 51,000 head of pedigree cows and pigs, while improving the breeding, veterinary and anti-epidemic work.

As of the end of 1958, Korean cows and pigs reached 660,000 and 1,460,000 respectively.

Parallel with the development of animal husbandry, the output of animal products was increased. Compared with the previous year meat increased two times, milk 2.7 times, and wool by 11 per cent. The work of converting Korean breed into milk cows was widely carried out throughout the country. Thus, animal husbandry came to occupy an important part in agricultural co-operatives and the head of animals kept by the co-operatives grew by 61 per cent in Korean cows and 3.4 times in pigs compared with the previous year.

As the rural economy made a great stride in 1958, the peasants sold more agricultural products to the state.

With a view to further accelerating irrigation projects, mechanization and electrification in the countryside and to

developing further agricultural productive forces, the Party and the Government of the Republic completed successfully in November 1958 the work of merging agricultural co-operatives according to ri (the lowest administrative unit). As a result, 13,309 co-operatives merged into 3,843 and the average size of each co-operative increased from 80 to 300 households and the land under cultivation from 130 to 500 jungbo.

Today in our rural villages, the source of exploitation and poverty is eliminated for good and the co-operatives are further consolidated organizationally and economically. Moreover, a nation-wide drive is on for a technical transformation to ensure the epochal growth of agricultural production. And advanced intensive farming method of deep ploughing, close planting and application of plenty fertilizer is being boldly introduced.

Thus, our agriculture has not only completely solved the food problem, but also can ensure the supply of necessary raw materials to industry.

In 1958, our transport and communications, too, registered continuous development.

The plan of freight turnover by railways was overfulfilled by 11 per cent and of the volume of freightage by 17 per cent. Freight turnover by railways grew by 24 per cent and 85 per cent respectively compared with 1957 and 1949, and the volume of freightage by 31 per cent and 73 per cent.

Compared with the previous year, electric railway lines were extended by 45 per cent. The Haijoo-Hasung broad-gauge line of over 80 km. was completed in only 75 days or 9 months ahead of schedule. Electrification of the Shinsungchun-Yangduk line and double tracking of the Soosung-Komcosan line were completed. The steep grade in Wangjang-Bumpo line was, in general, levelled. Thus the railway transport capacity was considerably raised.

The 1958 plan for transport of major items was overfulfilled and various advanced operation methods were adopted to raise the utility rate of rolling stock. The time for

freight-car turnround was reduced to 3.7 days, shortening the time set in the plan by 0.4 day or by 0.7 day compared with the previous year. Utility rate per freight car increased by 21 per cent. And the average daily run of a locomotive surpassed the plan by 2 per cent, or 7 per cent compared with the previous year. Average weight of freight trains surpassed the plan by 51 tons or by 8 per cent compared with the previous year.

Motor transport, too, rapidly developed, and its plan was overfulfilled. Freight turnover by motor vehicles increased by 13 per cent compared with that in the previous year or 10 times compared with 1949, and the volume of freightage increased by 26 per cent compared with the previous year or 27 times that in 1949. During the year more trailers were used in motor transportation; compared with 1957 the hauling capacity of trailer increased by 3.8 per cent and the loading capacity increased by 8.1 per cent and utility rate per automobile by 7 per cent.

The plan for water transport, too, was overfulfilled. 84 per cent more cargo was handled than the previous year or 96 per cent compared with the prewar 1949. The volume of cagro increased by 81 per cent compared with the previous year or 2.3 times that in 1949.

In the branch of communications the plan for 1958 was overfulfilled and communication equipment was expanded. Compared with the previous year city telephone lines extended by 7 per cent, city telephone subscribers by 29 per cent and the capacity of city telephone exchange by 6 per cent.

Broadcast and telephone networks were expanded with the result that the number of radio-relay horns in cities and villages increased by 45,000 and that of through-wire radios by 2.5 times and its transmission capacity by 3.2 times compared with the previous year. Thus, as of the end of 1958, 92 per cent of our entire ri are installed with telephones and the number of co-operative members who listen to through-wire radios is rapidly increasing.

Again in 1958, the Workers' Party of Korea laid stress

on capital construction for further accelerating the socialist extended reproduction. Subsequently a large sum of 34.1 billion won in old currency, or 26 per cent greater than in the previous year, was earmarked for productive construction, mainly for the construction of heavy industry and agriculture.

In response to the October 1957 Plenum of the C.C. of the Workers' Party of Korea, our building workers introduced widely the pre-fab method into construction and displayed creativeness in bringing about a radical change in capital construction. The Party and Government paid close attention to attaining the best result out of capital investment.

During the year of 1958, the total volume of capital investment surpassed the original plan by 24 per cent, of which the investment in construction and assembly topped its plan by 26 per cent. Of the volume of total investment, 74 per cent was allocated to productive construction, an increase of 29 per cent compared with the previous year. The volume of investment in industrial construction was 19 per cent greater than in the previous year, of which the investment in heavy industry grew 20 per cent and that in light industry 11 per cent.

In 1958, industrialization was realized in construction and the pre-fab method was more widely applied. In housing construction 59 per cent was done by pre-fabrication.

Industrialization, mechanization and the pre-fab method accelerated considerably the speed in construction. As a result, numbers of capital construction units were completed and put into operation ahead of schedule and productive capacity of all branches of the national economy grew further.

The Soopoong Hydropower Station with a total capacity of 700,000 kva and the Jangjin-gang Hydropower Plant with a capacity of 370,000 kva were completely reconstructed. Blast furnace No. 1 and a coke oven of the Hwanghai Iron Works and blast furnace No. 2 and a

coke oven of the Kim Chaik Iron Works were rebuilt by our workers and technicians with home-made equipment. The copper and zinc smelting shops of the Nampo Smeltery, ore dressing shops of the Kapsan Mine and Taiyoodong Mine were newly built or restored, and galleries in Aoji, Kokunwun and Kocham collieries were built.

The construction of the Hichun Machine-Tool Factory, Woonsan Tool Factory and other modern, large-scale factories were completed. An ammonium nitrate shop of the Heungnam Fertilizer Factory was newly built and a soap shop restored.

Kilns were newly built or restored in cement factories, and an aspirin factory and a factory for intermediate process of producing vinalon were newly constructed.

The weaving, spinning and roving shops of the Pyongyang Silk Mill and the staple fibre shop of the Chungjin Spinning Mill were newly built, restored or expanded. Food processing factories were newly built in Bookchung and Namkot.

Thus the yearly productive capacity of our industry increased: 225,000 kva in electricity, 500,000 tons in pig iron, 600,000 tons in coke, 65,000 tons in steel, 26,000 tons in granulated iron, 5,500 tons in electrolytic copper, 20,000 tons in electrolytic zinc, 350,000 tons in cement, 136,000 tons in ammonium nitrate fertilizer, 6,000 tons in pulp, 4,000 tons in staple fibre, 5,200,000 metres in silk fabrics, 20,000 tons in soap, 487,000 tons of non-ferrous metals in ore dressing.

Moreover, the construction of such large-scale power stations as the Tokrogang, Kanggye, and Woonbong Hydropower Stations made progress successfully, and the construction of blast furnace No. 2 of the Hwanghai Iron Works, zinc smelting shop of the Moonpyung Smeltery, Koosung Machine-Tool Factory, Dukchun Automobile Factory, Vinalon Factory, Kiljoo Veneer Factory, Shinuijoo Textile Combine also made headway.

In 1958, the reconstruction work of cities and towns, including Pyongyang, the democratic capital, went ahead briskly.

Builders of the city of Pyongyang, who had determined to build houses for 20,000 families instead of the originally planned 7,000 families, built houses for 21,600 families without any additional investment by exploring reserves during the year. Wide application of the pre-fab methods raised labour productivity 4.8 times.

In capital construction, attention was paid to the improvement of technical equipment of productive enterprises and technical processes. The process of rolling steel was automatized, and that of annealing sulphide and many other production processes improved technically. Labour-consuming work was mechanized with various home-produced equipment and machinery.

The number of workers engaged in various sorts of mechanized work in 1958 showed a marked increase compared with 1957: 4.5 per cent in drilling work; 6 per cent in earth removing; 3.4 per cent in scraping; 10 per cent in stone crushing; 8.3 per cent in cement mixing; 16 per cent in lifting work; 9 per cent in loading and unloading work.

In the same year, the ranks of workers were further replenished. As in the past, there was not even one single unemployed in the northern part of the country in 1958.

The Workers' Party of Korea and the Government of the Republic held even more strictly to its policy of sending more labour power to the productive branches of the national economy. In response to the Letter of the Party Central Committee to the entire Party members, a great number of office workers volunteered to participate in production and more women took jobs. As of the end of 1958, the number of workers in the productive branches showed an increase of 320,000 over the corresponding period of the previous year. Especially the number of women employees in all branches of the national economy doubled that of the previous year and their proportion to the entire workers grew from 20 per cent in 1957 to 29 per cent in 1958.

Technical training for the new workers was strengthened, too.

A great number of skilled workers emerged from productive enterprises and construction sites.

In 1958, more than 34,000 new skilled workers and managerial personnel, trained at technical training schools and managerial cadres schools, were working in all branches of the national economy.

In 1958, socialist transformation of private trade and industry was successfully carried out; the state and co-operative trade network further expanded; and the distribution of stores in urban and rural districts was more rationalized.

Compared with the previous year the trade network showed an increase of 1,500 new establishments. Particularly the number of general stores and restaurants increased greatly.

In accordance with the decision of the June 1958 Plenum of the C.C. of the Workers' Party of Korea on the improvement of commodity circulation the supply of foodstuffs in cities, towns and workers' settlements and of industrial goods to the countryside was markedly improved.

The plan for the year in retail commodity circulation by the state and co-operative trade organs was overfulfilled by 6 per cent. This meant a growth of 43 per cent over the previous year in comparable prices, of which foodstuffs grew to 126 per cent, industrial goods to 155 per cent, and the volume of circulation through social catering network to 130 per cent.

The following shows the growth of sales of popular consumer goods.

	1958 in percentages of 1957
Cotton fabrics	126
Silk fabrics	134
Woolen fagrics	3.4-fold
Ready-made clothes	2.3-fold
Underwear	143
Hosiery	113

Footwear	118
of which leather shoes	122
Soap	167
Toilet articles	134
Medicines	4.2-fold
Furniture and other things for cultural use	2.4-fold
Stationeries	150
Ceramics and porcelain	111
Cigarettes	111
Coal for domestic use	115
Grain	118
Meat	197
Marine products	124
Soy	115
Vegetables	124
Condiments	131
Fruits	139
Bread, cakes and candies	155
Beer	123
Soda water	2.9-fold

The Workers' Party of Korea and the Government of the Republic effected price cuts on several occasions after the war to raise the material and cultural standards of the working masses.

In 1958, the ration system for daily necessaries, except grain, was abolished and commodities were made available at market prices. Yet the prices went down two per cent on an average compared with the previous year, or 48.4 per cent compared with 1953 when the truce came.

Compared with the previous year, the prices of consumer goods were cut down: 6.5 per cent in silk fabrics, 10.2 per cent in woolen fabrics, 15 per cent in potatoes, 31 per cent in meat, 30 per cent in eggs, 12 per cent in marine products, 20 per cent in condiments, 8 per cent in vegetables, 7 per cent in fruits, 10 per cent in sugar, 35 per cent in beer and 30 per cent in soda water.

Changes of Prices in Daily Necessaries (1953=100)

	1956	1958
Edible oil	59.0	57.8
Soy	30.2	30.2
Bean paste	40.5	40.5
Salt	73.7	73.7
Marine products	39.3	34.4
Vegetables	23.7	17.4
Meat	56.9	28.0
Wine	48.3	47.9
Fruits	68.4	49.3
Cotton fabrics	73.8	73.8
Silk fabrics	77.6	72.6
Underwear	76.4	75.7
Hosiery	55.3	55.3
Rubber shoes	25.8	25.7
Soap	64.3	58.8
Cigarettes	59.6	59.6
Stationeries	31.8	31.4
Matches	27.6	27.6

The plan for 1958 in procurment by the state was also overfulfilled and the volume showed a considerable increase compared with the previous year: 20 per cent in grain, 54 per cent in meat, 41 per cent in eggs, 50 per cent in vegetables, 140 per cent in fruits, 160 per cent in cotton, 270 per cent in flax, 110 per cent in wool, 140 per cent in fur, and 49 per cent in tobacco.

In 1958, economic relations with the Soviet Union, the Chinese People's Republic and other socialist countries were further strengthened and trade with capitalist countries expanded. The total volume of our export grew 35 per cent over the previous year, of which the volume of raw materials and semi-finished goods was reduced by 4.4 per cent while finished goods increased.

In 1958, accumulation for extended reproduction grew greater in all branches of the national economy. The production costs of industrial goods were reduced by 8.6 per

cent as against an average cost last year and 2.3 per cent as against the planned costs, and the cost in construction and assembly was reduced by 9 per cent. The railway transportation cost was cut down by 9.6 per cent and the expenses required in commodity circulation were economized by 35 per cent.

Last year incomes of our workers and peasants increased considerably and the national income grew approximately 1.3-fold as against the previous year.

Financial foundation of the state became further consolidated, and on the basis of it the Workers' Party of Korea and the Government of the Republic raised wages of workers and office employees by 40 per cent on an average, effective from January 1, 1959. It was the fourth wage raise since the truce.

Thanks to such successive measures taken by the Party and Government, which make it the guiding principle in their activities to ensure steady improvement of the people's living, the people's material and cultural standards are rising at a rapid pace.

The monetary wages of workers and office employees in 1958 rose to 155 per cent as against 1956 and to 108 per cent compared with 1957. The cash incomes of workers and office employees including the temporary subsidies given to them in connection with the abolishment of ration system on daily necessaries with the exception of grain in 1958 grew to 125 per cent as against the previous year. Thus their real incomes showed an increase of 13 per cent over 1957, or 1.6-fold compared with 1949.

On the occasion of the 10th anniversary of the founding of the Republic, the Party and Government gave the entire workers, technicians, office workers, armymen, militia men and students bonuses, 100 per cent of their monthly incomes, and supplied the workers, office employees and students with overcoats at the prices equivalent to 45 per cent of the costs.

The state funds allotted to social insurance and social security, to the work of sanatoriums and rest homes, edu-

cation, culture and public health were 39 per cent greater than in the previous year.

In 1958, new houses with a total floor space of 2,240,000 square metres were provided to our workers and office employees, 45 per cent greater than in the previous year, and the number of those who went to rest homes and sanatoriums to enjoy rest and medical treatment at government expense increased by 22 per cent compared with the previous year.

Thanks to the great change in agriculture in 1958 the real incomes of the peasants grew considerably and their material and cultural conditions were further improved.

The per peasant household share in agricultural co-ops in 1958 increased to 105 per cent in grain, to 115 per cent in potatoes, and to 149 per cent in cash as compared with 1957. The total value of common properties reached approximately 68.6 billion won, 5,150,000 won per co-op on an average and 65,000 won per peasant household. Last year, the agricultural co-op members built modern flats to accommodate 21,000 families, schools with a total space of 243,000 square metres besides 883 kindergartens and creches with their own funds. (The value of won is in old currency.)

. The agricultural co-op members who had risen up for the electrification of the countryside in response to the Party's call constructed over 570 medium and small power plants with the positive aid of the working class.

By the end of 1958, 67 per cent of the entire ri (villages) in the countryside, or 49 per cent of the peasant households, had electric lights. Now they are continuously working to complete electrification within the next one or two years.

In 1958, great strides were made in cultural revolution, too.

The policy of the Party and Government on combining education with production has brought about a great change in education, too.

In November 1, 1958, the universal compulsory middle

school education was put into effect, and preparations for compulsory technical education are being pushed ahead.

The enrollment in schools of all levels reached 2,380,000 at the beginning of 1958-1959 school year, 180,000 greater than the previous year. The number of graduates from institutes of higher learning grew 121 per cent and the number of graduates from higher technical schools 3.6 times compared with the previous year.

143 various technical schools have already been set up with an enrollment of over 15,000.

In order to raise the educational level of all adults to that of primary school graduates and junior middle school graduates or higher, as of the end of 1958 over 6,100 working people's schools and over 2,900 working people's middle schools were established. Now 1,370,000 working people are studying in these schools.

Our culture and art has continuously developed and is linked more closely with the popular masses.

In 1958, there were 668 theatres and cinemas in our country and the number of theatre- and cinema-goers showed an increase of 14,900,000 compared with the previous year.

Activities of art circles in cities, towns, rural villages and in fishing villages became more vigorous. During 1958, 80,000 circles comprising 1,980,000 members gave performances throughout the country.

Publishing also made great progress. Compared with the previous year, 39,620,000 copies more of newspapers, 23,300,000 volumes more of books, and 6,110,000 volumes more of various kinds of text-books were published in 1958. In 1958, a nation-wide movement was unfolded for promoting cultural and sanitation work in urban and rural districts, and prophylactic measures were taken on a wide scale. During the year, 27 more hospitals were built, the number of beds showed an increase of over 3,000; 621 establishments for treatment of out-patients were newly built; and the number of dispensaries run by agricultural co-ops grew 2.2 times.

In consideration of the increase in the number of working women special attention was paid to the protection of mothers and children. In 1958, 591 more of establishments for the purpose were set up and the number of beds increased by more than 40,000. Now more women in confinement enjoy free maternity care in urban and rural districts.

Thus the 1958 national economic plan was overfulfilled successfully in every field and the socialist material and technical foundation was further reinforced.

Socialist transformation was completed at all fronts of the national economy. Thus all economic sectors are integrated into a single system of socialism. This has brought about a remarkable advance in the nation's socialist industrialization. Moreover, with the completion of agricultural co-operativization, our agriculture made an epoch-making progress. The source of exploitation and poverty was totally removed in cities and villages. The living standard of the working class was raised markedly and the people began to enjoy a new life and culture. And a new socialist morality came into existence.

Thus, the democratic base in the North was strengthened politically and economically and the material foundation for peaceful unification was further consolidated.

The great successes achieved in the course of carrying out the economic plan for 1958 testify to the correctness of the economic policy pursued by the Workers' Party of Korea and the Government of the Republic, to the wise leadership of the Party and to the unshakable unity and patriotic devotion of the people firmly rallied around the Party and Government headed by Comrade Kim Il Sung.

In summarizing the achievements attained in the execution of the 1958 economic plan, the entire workers of the country were convinced that they could finish the First Five-Year Plan in 1959, more than two years ahead of schedule. They are now putting all their energies to overfulfil the First Five-Year Plan this year and bring the great task set by Comrade Kim Il Sung in his report in honour of the 10th anniversary of the D.P.R.K., to realization sooner.

In his report on the occasion of the 10th anniversary of the D.P.R.K., Comrade Kim Il Sung set forth the programmatic task to increase the output in the major fields of industry within the next 6 to 7 years; electricity 2.6-fold, coal 3.6-fold, pig and granulated iron 9-fold, steel 8-9-fold, cement 4-fold, chemical fertilizers 3.3-4.3-fold, and fabrics 4.6-fold, and the grain output will be doubled. These production figures mean a per capita output of 2,000 kwh of electricity, 2.5 tons of coal, 400 kg of pig and granulated iron, 300-350 kg of steel, 500 kg of cement, 150-200 kg of chemical fertilizers and 50 metres of fabrics and the per capita grain output will reach more than 700 kg.

The realization of the 1959 economic plan will be decisive in translating the vast programme laid down by Comrade Kim Il Sung into reality within the next 4 or 5 years instead of 6 or 7 years. Another great advance is expected in every field of our national economy in the year of 1959—not just a few per cent increase compared with the previous years but many fold.

For another big advance in 1959, a vast capital construction programme is to be carried out with emphasis on the construction of productive facilities as in the past. Greater investment will be made in industry, particularly in the field of heavy industry. Following strictly the economic policy of the Workers' Party of Korea, the greatest portion will go to metal, machine-building, electricity and coal industries, while investment in the field of light industry, textile and food industries included, will keep growing.

Heavy industry will make a yet bigger stride in 1959 and the ratio of the production of means of production in gross industrial output will grow markedly.

Investment in the non-productive field will also grow in 1959. Out of the total investment in capital construction, 12 per cent will go to housing construction. It is expected that a total floor space of four million square me-

tres of dwelling houses will be built for the workers and office employees, while the agricultural co-ops will erect modern houses to accommodate more than 80,000 families. Besides, a vast construction programme is planned for building educational and cultural establishments.

The year 1959 will witness another unparalleled industrial advance in our country. In order to bring the vast 1959 industrial plan to a successful conclusion, Comrade Kim Il Sung called upon the entire workers, under the slogan of "Iron and machinery is the king of industry," to put their energies into the production of iron and machinery.

Under the correct guidance of the Party Central Committee headed by Comrade Kim Il Sung our workers will increase decisively the output of iron and steel in 1959. They will build large-size blast furnaces and coke-ovens while more open-hearth and electric furnaces will be built. At the same time more steel shops will come into being with various rolling mills to increase the production of various rolled steel products. Particularly special steel needed in making tractors, excavators, trucks and heavy machines will be turned out in greater quantities. Moreover, the range of steel products will be enlarged while new factories will turn out high-strength steel plates, wire ropes and wire-nettings. Also the existing facilities for making gas pipes will be expanded.

With the development of the metallurgical industry, the industry producing refractory materials will advance rapidly. Rolling mills will be built to process the semi-finished non-ferrous metal products and construction of the electrolytic copper shop will be completed soon. Along with these, the prospecting work will be stepped up, the mining of various ores will be increased, hydraulic mining will be extensively employed in the mines, mechanization and automation will be widely used. Mention also should be made of the extensive programmes of scientific research work, of training technical personnel along with the measures for technical transformation.

Our machine-building industry will also register a remarkable advance in 1959. The up-to-date machine-building factories are either adding or expanding casting, blooming and pipe making shops, while many bearing, cable, and heavy machine shops will be built or expanded. Our machine-building industry will make a big leap in turning out, first of all, machinery and equipment needed for the production of iron, steel and steel products, besides a great number of tractors and vehicles, and irrigation machines.

During the year of 1959, the power industry will be stressed above all, as in the past. Generating facilities which have not yet been fully restored will be put into operation while the Dokro-gang Hydropower Station now under construction will start operation with two generators. Besides, a nation-wide drive will be carried on to build medium- and small-scale power stations. So far, the hydro-power resources were exclusively used for power generation but many thermal power stations will be built.

To strengthen the fuel bases, the coal industry will undertake an extended programme of opening new pits, drilling in the existing pits, and of building permanent pits. At the same time, much investment is foreseen in the mechanization of coal carrying in the mines while coal depots and railway lines in the mines are to be extended. Moreover, the hydraulic mining method which promises a big increase in coal output is to be widely used.

In the field of transport, the Samdeung-Sepo and Chihari-Pyongsan lines under construction will be completed in 1959, while the Danchun-Myongchun line will be electrified. At the same time, motor transport as well as maritime transport will be extended.

The chemical industry will put emphasis on turning out artificial fibre and chemical fertilizers. A new vinalon factory under construction will be completed ahead of schedule. It will have an annual capacity of 10,000 tons. Before the year is out, a methanol and formalin factory will be completed besides potash lime, dye stuffs, and penicillin factories.

During the year of 1959, our light industry will improve decisively the quality of its products. It is expected that along with many up-to-date factories numerous medium- and small-scale factories will be put into operation.

The textile industry will keep expanding while factories for processing meats, vegetables and fruits, and producing edible oils and dairy products will be built throughout the country. Also more glassware and ceramic factories will be built. In 1959 the local industries will be reorganized; factories will be located rationally, nearer to raw material and consuming centres.

The main task confronting our fishing industry in 1959 is to promptly and effectively process and supply the fish to the populace. Many fisheries on the east and west coasts will be equipped with more freezing facilities and use refrigerator cars so that fresh marine products will be supplied to the people. Moreover, the production of canned fish will be increased and liver-oil factories will be built in many fisheries.

Our agriculture, too, will make a big leap in 1959, and irrigation, electrification and mechanization in the countryside will be pushed ahead. During the year, 238,000 jungbo of non-paddy fields and 66,000 jungbo of paddy-fields will be irrigated while 30,000 jungbo of farm land will be protected from natural calamities. In order to carry out such programme, some 22,000 tons of rolled steel, 220,000 tons of cement, 70,000 cubic metres of lumber, and thousands of machines will be sent to the countryside. Moreover, 133 transformer substations will be added and 3,400 metres of transmission lines will be laid. It is also expected that thousands of tractors and trucks will be made available to the rural villages.

The agricultural co-ops will employ extensively the intensive farming method of deep ploughing, close planting, and heavy manuring to raise grain yield. Livestock breeding will also see a great advance.

Commodity circulation will be enlarged to satisfy the purchasing power of the working class as their incomes grow. Improvement will be made in supplying foodstuffs to urban districts and industrial goods to the countryside.

In Pyongyang, the democratic capital, and many other cities large scale construction will be carried out.

In Pyongyang, based on the achievements of 1958, the builders are planning to build by the 15th anniversary of the August 15 liberation in 1960 modern apartments for 50,000 families, a 2,000-seat grand theatre, a 1,000-seat drama theatre, a 10,000-seat amphi-theatre besides 5 cinema houses with a total seating capacity of 3,400, a Workers' Palace with a floor space of more than 40,000 square metres, a Youth Palace of 34,000 square metres, a Children's Palace of 20,000 square metres and three department stores with a total floor space of 37,000 square metres. In addition, two hotels with an accommodation capacity of 2,800, a liberation struggle museum and an art museum with a total floor space of 8,000 square metres each, a government building of 24,000 square metres, a printing combinat of 79,000 square metres, schools of 200,000 square metres and kindergartens, day nurseries with a total floor space of 45,000 square metres and public health establishments of 82,000 square metres will be built.

Another important task that every branch of our national economy faces in carrying out this year's plan is to raise the quality of products. This principle will not be limited to industry, but cover transport, communications, commodity circulation, education, culture, capital construction, etc.

Under the correct guidance of the Workers' Party of Korea and the Government of the Republic headed by Comrade Kim Il Sung, the patriotic workers of our country achieved such brilliant successes during the year of 1958. And their prospect is indeed bright.

Seeing clearly the hopeful prospect, firmly rallied around the Workers' Party of Korea headed by Comrade Kim Il Sung, the entire workers of our country are racing ahead on a winged horse towards new victories.